

**2004 APPROVED  
WORK PLAN, MEETING SCHEDULE AND BUDGET  
for the  
PUBLIC SCHOOL CAPITAL OUTLAY TASK FORCE**

**Statutory Authority and Duties**

The public school capital outlay task force was re-created by Laws 2004, Chapter 125 following the statutory expiration of the previous task force that was created by Laws 2001, Chapter 338. The task force consists of 20 members, including members of the legislature, public members who have expertise in finance and education, superintendents of school districts or their designees from districts that receive federal impact aid grants and certain designated public officials. The task force is to report the results of its analyses, findings and recommendations to the governor and the legislature prior to the beginning of the first session of the forty-seventh legislature. The statutory authority for the task force expires on July 1, 2005.

The duties of the task force, as set forth in the legislation, are to:

1. study and evaluate the progress and effectiveness of programs administered pursuant to the Public School Capital Outlay Act and the Public School Capital Improvements Act;
2. review the condition index and the methodology used for ranking projects;
3. evaluate the existing permanent revenue streams as adequate long-term funding sources for public school capital outlay projects; and
4. monitor and assist the public school capital outlay council and the public school facilities authority as they perform functions pursuant to the Public School Capital Outlay Act, particularly as they implement the statewide-based process for making grant awards.

**Membership**

Legislative members:

- Senator Ben D. Altamirano, chair of the senate finance committee
- Representative Larry A. Larranaga, minority member of the house of representatives
- Senator Carroll H. Leavell, minority member of the senate

- Representative Rick Miera, chair of the house education committee
- Senator Cynthia Nava, chair of the senate education committee
- Representative Henry Kiki Saavedra, deputy chair of the house appropriations and finance committee

#### Designated public officials

- Deborah Gallegos, designee of the state investment officer
- Veronica Garcia, secretary of public education, or her designee
- Robert J. Desiderio, designee of the dean of the university of New Mexico law school
- James Jimenez, secretary of finance and administration, or his designee

#### Appointed members:

- Odis Echols
- Pancho Guardiola
- Leonard Haskie
- Robert G. Heyman
- Kilino Marquez
- Rey S. Medina
- Tony Monfiletto
- James "Bud" Mulcock
- Neil Nuttall
- Norman Suazo

#### Advisory member:

- Representative Ben Lujan

#### **2004 Interim Work Plan**

In order to accomplish the duties set forth in the legislation, the task force proposes to complete its work during the 2004 interim by focusing on the following areas:

- **Assist the public school capital outlay council (PSCOC) and the public school facilities authority (PSFA) as they perform functions pursuant to the Public School Capital Outlay Act, particularly as they implement the statewide standards-based process for making grant awards**

The task force will review the guidelines, procedures and reporting requirements adopted by the PSCOC for implementing the new, standards-based capital outlay program. The focus of the review will be to ensure that the current year pilot program being implemented by the PSCOC and the PSFA is being done in a fair, efficient and effective manner and that the outcome of the new process will accomplish the goal of a statewide uniform system of public school capital outlay funding. The task force will also continue to review any proposed changes to the standards adopted by the PSCOC.

The task force will continue to assist the PSCOC in strengthening the preventive maintenance programs of the school districts by reviewing the funding and authorized expenditures under the Public School Capital Improvements Act (SB 9) and any other funds budgeted for maintenance purposes. The task force will consider other issues related to the cost of providing and maintaining school facilities, including the interface between programs administered by the PSCOC and the New Mexico public school insurance authority and any federal programs and requirements related to school facilities.

The task force will continue to monitor the progress of the PSCOC in implementing the deficiencies correction program. It will also review the PSCOC kindergarten initiatives project and the newly funded program for assistance for lease payments for classroom space.

If requested, the task force will hear from local school districts about concerns or questions related to the implementation of the programs administered by the PSCOC.

- **Conduct a review of the New Mexico condition index and the methodology used for ranking projects**

The task force will review the final report submitted by 3D International (3DI) that calculates a New Mexico condition index (NMCI) to reflect the relative condition of each school in the state and the weighted NMCI that will be used to prioritize projects. The task force will receive periodic reports from the PSCOC and PSFA on the use of the index and on the plans and procedures for the state and local school districts to maintain the database from which the index is calculated. It will assist the PSCOC in examining the weighting system to ensure that the funding of projects based on the weighted NMCI results in equity and balance among need priorities.

- **Re-examine the existing permanent revenue streams for public school capital outlay projects to determine long-term adequacy.**

The task force will use the statewide assessment of school facilities completed by 3DI to develop a proposed strategic plan for bringing all of the state's schools up to the adequacy standards within a reasonable time frame. The plan will include an assessment of the total need, a methodology for measuring progress and options for providing the level of funding necessary to implement the plan. Once the strategic plan has been developed, the task force will work with the PSCOC to develop an income and expense cash flow budget for the next 10 years.

The task force will hear from state finance experts about projected levels of severance tax revenues and the supplemental severance tax bonding capacity, especially in terms of expected long-term trends. The task force will analyze the need for other long-term funding sources and, if existing revenue sources do not appear adequate, will evaluate the advantages and disadvantages of various funding options. Part of this review will be the use of local and federal revenues available for capital outlay projects and the share of state and local funding resulting from the implementation of the current state share formula.

The task force will review the work of the previous task forces in the funding area and will re-evaluate funding options in light of additional information on the level of needs and legislative and other feedback on the suitability of the options. As in the past, the evaluation of each funding option will take into account:

1. any short-term and long-term effects upon the general fund;
  2. any potential impact upon other capital outlay needs of the state, including the institutions of higher education, and local political subdivisions; and
  3. any potential impact upon the current citizens and businesses of the state as well as the future economic development potential of the state.
- **Review the recommendations of the legislative education study committee (LESC) task force on charter schools as they pertain to the facility needs of charter schools.**

The task force will receive a report from the LESC on the deliberations and recommendations of the LESC task force on charter schools as they pertain to charter school facilities, including funding issues, requirements for charter approval, use of district facilities and resolution of disputes with the district. The public school capital outlay task force will provide input into the recommendations aimed at ensuring that they are consistent with the statewide, standards-based program administered by the PSCOC.

### **Meeting Schedule and Budget**

| <u>DATE</u>    | <u>LOCATION</u> |
|----------------|-----------------|
| May 18         | Albuquerque     |
| August 30      | Albuquerque     |
| September 16   | Albuquerque     |
| October 14     | Albuquerque     |
| November 11-12 | Santa Fe        |
| December 20-21 | Santa Fe        |

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| <b>TOTAL BUDGET</b> | <b>\$15,000.00</b> |
|---------------------|--------------------|